

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-107-C - ORDER NO. 2011-766
OCTOBER 31, 2011

IN RE:	Application of i-wireless, LLC for)	ORDER APPROVING I-
	Designation as an Eligible)	WIRELESS, LLC AS AN
	Telecommunications Carrier in the State of)	ELIGIBLE
	South Carolina)	TELECOMMUNICATIONS
)	CARRIER

Introduction:

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of i-wireless, LLC (“i-wireless” or the “Company”) for designation as an Eligible Telecommunications Carrier (“ETC”).¹ According to the Application, the Company seeks to participate in the federal Universal Service Low Income Fund solely to provide Lifeline services to qualifying South Carolina consumers and states it will not seek access to the federal Universal Service Fund (“USF”) for the purpose of providing service in high cost areas. The Company proposes to provide Lifeline service under the trade name “Access Wireless.” A stipulation in the Docket was reached between the parties.

By letter, the Commission instructed i-wireless to publish, one time, prepared Notices of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notices of Filing was to inform interested parties of the

¹ 26 S.C. Code Ann. Regs. 103-690 and 690.1, Section 214(e)(2) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, 47 USC § 214(e)(2) (“the Federal Act”), and 47 CFR § 54.201.

manner and time in which to file the appropriate pleadings for participation in the proceedings. The Company complied with this instruction and provided the Commission with proof of publication of the Notices of Filing. No petitions to intervene were received. The South Carolina Office of Regulatory Staff ("ORS") was a party pursuant to statute.

A hearing was held in this Docket on August 16, 2011, in the Commission's Hearing Room with the Honorable John E. Howard, Chairman, presiding. At the hearing Scott Elliott, Esquire, represented i-wireless. C. Lessie Hammonds, Esquire, represented the ORS. i-wireless witness Paul McAleese adopted and presented the Direct Testimony of Patrick McDonough and presented Settlement Testimony. The ORS presented the testimony of Christopher J. Rozycki.

Background:

i-wireless is a North Carolina LLC with its principal office located in Newport, Kentucky. It is 50% owned by The Kroger Co. and 50% owned by Genie Global, Inc. and provides prepaid wireless telecommunications services to low income individuals solely by using the Sprint Nextel ("Sprint") network as its underlying carrier.² Through the use of Sprint's facilities, the Company proposes to offer three prepaid plan choices in

² i-wireless asserts that it offers a unique benefit, through its affiliation with Kroger, that allows customers to earn Free Minutes by shopping at select Kroger-owned store locations using their Kroger shopper's card, even when using government-subsidized forms of payment. i-wireless further states that it does not impose credit checks, long-term service contracts, activation fees, or roaming charges. In addition, i-wireless does not charge for incoming text messages, balance inquiries, calls to 911 emergency services, or calls to customer service.

South Carolina, which include 150 anytime minutes, 250 anytime minutes, and \$15 retail discount plan.³ However, i-wireless has no facilities of its own.

Since the Company has no facilities, the Commission is constrained by federal law in granting its Application. Under Section 214(e)(1)(A) of the Telecommunications Act, 47 U.S.C. § 214(e)(1)(A), federal requirement states that ETCs shall offer services, at least in part, over their own facilities, and Section 54.201(i) of the Federal Communications Commission's ("FCC") Rules, 47 C.F.R. § 54.201(i), prohibits state commissions from designating a telecommunications carrier as an ETC if it offers services exclusively through the resale of another carrier's services. To address this problem, i-wireless filed a petition with the FCC on April 1, 2009, requesting that the FCC exercise its forbearance authority under Section 10 of the Act, 47 U.S.C. § 160, with respect to the facilities-based service requirement. While the FCC granted the Petition for Forbearance for the purposes of participating in the Lifeline program in an order dated June 25, 2010 ("Forbearance Order"), i-wireless is still waiting on the agency to approve a compliance plan.

In the Forbearance Order, the FCC granted forbearance only if i-wireless followed specific conditions and filed a compliance plan for approval. These conditions included: (a) providing its Lifeline customers with basic 911 and enhanced 911 ("E911") access regardless of activation status and availability of prepaid minutes, (b) providing its new

³ For the types of plans available, i-wireless customers are able to choose a prepaid plan in which they are charged only for the minutes they use, and unused minutes carry over to the following month. Customers are not bound by a local calling area requirement, and all i-wireless plans come with domestic long distance at no extra charge and nationwide digital coverage on the Nationwide Sprint PCS Network. In addition to free voice services, i-wireless will provide Lifeline customers with access to voice mail, caller I.D., call waiting services, and E911 capabilities at no cost.

Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service, (c) complying with conditions (a) and (b) as of the date it provides Lifeline service, (d) obtaining a certification from each Public Service Answering Point ("PSAP") where i-wireless seeks to provide Lifeline service confirming that i-wireless provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met, (e) requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from i-wireless, (f) establishing safeguards to prevent its customers from receiving multiple Lifeline subsidies at the same address, and (g) dealing directly with the customer to certify and verify the customer's Lifeline eligibility. In accordance with the Forbearance Order, the Company filed its compliance plan with the FCC on July 26, 2010, which is attached to its Application before the Commission as Exhibit 4. However, as of the date of the hearing, the FCC had not ruled on whether the compliance plan is approved.

On July 21, 2011, i-wireless and the ORS submitted a Stipulation that sets out the terms under which the Company has agreed to operate should the Commission grant its ETC Application.⁴ Foremost among these terms are the agreements that the FCC must approve i-wireless' compliance plan prior to commencement of Lifeline operations, and i-wireless must meet the terms of the FCC Forbearance Order. In addition, the Company agrees to comply with 26 S.C. Code Ann. Regs. 103-690(C)(a)-(g).

⁴ The Stipulation is attached to this Order.

Requirements for Designation:

The purpose of an Eligible Telecommunications Carrier designation is to further the public interest goal of ensuring that consumers in all regions, including those in rural, insular, and high cost areas, have access to telecommunications services comparable to those of urban areas. An ETC is a common carrier designated by a state commission as eligible to receive federal Universal Service support. State commissions derive this authority from 47 U.S.C. § 214(e)(2), and for the purposes of this Docket, the requirements for ETC designation in South Carolina are described under 26 S.C. Code Ann. Regs. 103-690(C)(a), which further elaborates that a carrier seeking designation must offer and advertise the services enumerated under 47 C.F.R. § 54.101. Specifically, these services are: (1) Voice grade access to the public switched network; (2) Local usage; (3) Dual tone multi-frequency signaling or its functional equivalent; (4) Single-party service or its functional equivalent; (5) Access to emergency services; (6) Access to operator services; (7) Access to interexchange service; (8) Access to directory assistance; and (9) Toll limitation for qualifying low-income consumers.

In addition to meeting the above requirements, 26 S.C. Code Ann. Regs. 103-690(C)(a)(1)(C) sets out particular conditions for those carriers only seeking federal USF support for participation in Lifeline programs. To satisfy these conditions, an applicant must:

- (1) Submit a two-year plan that describes the carrier's plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible participants;

- (2) Demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, its ability to reroute traffic around damaged facilities, and its capability of managing traffic spikes resulting from emergency situations;
- (3) Demonstrate that it will satisfy applicable consumer protection and service quality standards;
- (4) Demonstrate that it offers a local usage plan comparable to the one offered by the ILEC in the service areas for which it seeks designation;
- (5) Certify by affidavit signed by an officer of the company that the carrier acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area;
- (6) Certify by affidavit signed by an officer of the company that it does offer or will offer the services that are supported by the federal universal service support mechanisms by using its own facilities or a combination of its own facilities and resale of another carrier's services; and
- (7) Certify by affidavit signed by an officer of the company that it does or will advertise in a media of general distribution the availability of such services, including Lifeline services and the applicable charges.

Further, the FCC has weighed in on what it considers additional minimum requirements for ETC designation with its Order, dated March 17, 2005, in Docket No.

05-46 ("ETC Order"). The FCC encourages states to adopt the requirements of the ETC Order, now codified at 47 C.F.R. § 54.202, but it is not required. Moreover, under 47 C.F.R. § 54.202, these added requirements refer to the designation of ETCs as specified by 47 U.S.C. § 214(e)(6), which only pertains to "common carriers not subject to state commission jurisdiction." Although we decline to adopt the ETC Order, many of these suggested requirements are included in our own regulations with the limited exception of certain reporting requirements found at 26 S.C. Code Ann. Regs. 103-690.1.

According to R. 103-690.1, ETCs participating in Lifeline programs must provide annual reporting information to the Commission and ORS by June 30 of each year and meet explicit requirements for administering these programs. The annual reporting information, specified by R. 103-690.1(B)(b), requires the carrier to submit detailed statistical information about its customers, or potential customers, and make certain certifications about conducting the programs. Additionally, this regulation requires the carrier to submit copies of responses to the Lifeline Verification Survey or Certification filed with the Universal Service Administrative Company on August 31 of each year.

In administering the programs, requirements for Lifeline are specified in R. 103-690.1(E)(a). According to this regulation, ETCs shall offer Lifeline to all qualifying low-income residents in the designated service area as follows:

- (1) ETCs shall publicize the availability of the service in a manner reasonably designed to reach those likely to qualify for the service;
- (2) ETCs shall commit to offer toll limitation to all qualifying low-income consumers at the time such consumers subscribe to Lifeline service. If the

consumer elects to receive toll limitation service, that service becomes part of that consumer's Lifeline service;

- (3) ETCs may not collect a service deposit in order to initiate Lifeline service if the qualifying low-income consumer voluntarily elects toll limitation service from the carrier where available;
- (4) ETCs shall verify annually that their Lifeline customers meet the program qualification;
- (5) ETCs shall notify Lifeline subscribers a minimum of 60 days prior to termination of their service if the carrier has a reasonable basis to believe that the subscriber no longer meets the Lifeline qualifying criteria; and
- (6) ETCs shall not charge Lifeline customers a monthly number portability charge.

Analysis:

A. Service Area

i-wireless requests ETC designation in all the wire centers in South Carolina within its FCC authorized service area where it currently has network coverage. This service area includes the non-rural telephone company wire centers and the rural telephone company wire centers listed in Exhibit 7 to the Company's Application. No party opposes i-wireless' service area designation.

i-wireless submits that a cream skimming analysis, as contemplated under R. 103-690(C)(b), is unnecessary, given that the Application seeks ETC designation solely for the purposes of obtaining low-income support from the federal USF. As Lifeline support

is designed to reduce the monthly cost of acquiring telecommunications service to qualified low-income customers, little likelihood exists that the designation will allow i-wireless to cream skim low-cost areas to the exclusion of high-cost areas. As a result, i-wireless requests a waiver of the cream skimming analysis.

B. Required Service Offerings

i-wireless asserts that it is capable of offering the required services under R. 103-690(C)(a) and 47 C.F.R. § 54.101 as follows:

(1) Voice grade access to the public switched network. i-wireless provides voice grade access to the public switched telephone network ("PSTN"). Bandwidth for this voice-grade access is at minimum between 300 and 3,000 MHz as required by FCC rules.

(2) Local usage. As part of the voice grade access to the PSTN, an ETC must provide local calling services to its customers. FCC and Commission regulations do not require ETCs to offer a specific amount of local usage or mandate that ETCs provide a minimum number of free local calls or minutes. Instead, an applicant for ETC designation must demonstrate that it offers a local usage plan that is "comparable" to the plan offered by the ILEC in the relevant territory. In analyzing whether an ETC applicant's plan is comparable to the underlying ILEC's, the FCC reviews all aspects of the plan on a case-by-case basis, including the nature of the supported service, the size of the local calling area, the inclusion of additional services (e.g., caller I.D., etc.) and the amount of local usage. The FCC has determined that a carrier satisfies the local usage

requirements when it offers customers rate plans containing varying amounts of local usage.

The Company's proposed Lifeline offering complies with the local usage requirements established by the FCC and the Commission. i-wireless will offer customers a certain amount of service free of charge, and customers can use these free minutes to place calls statewide (or even nationwide) because i-wireless does not constrict customers' use by imposing a local calling area requirement. Additionally, i-wireless will provide Lifeline customers with E911 capabilities and access to voice mail, caller I.D., and call waiting services at no cost.

(3) Dual tone multi-frequency signaling or its functional equivalent. i-wireless provides dual tone multi-frequency ("DTMF") signaling to expedite the transmission of call set up and call detail information throughout the network. All wireless handsets offered for sale by the Company are DTMF-capable.

(4) Single-party service or its functional equivalent. "Single-party service" means that only one party will be served by a subscriber loop or access line during a telephone transmission. i-wireless provides single party service to its customers for the duration of each telephone call, and does not provide multi-party (or "party-line") services.

(5) Access to emergency services. i-wireless provides 911 access for all of its customers and complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.

(6) Access to operator services. i-wireless offers all of its customers access

to operator services, in accordance with the FCC's requirements.

(7) Access to interexchange service. i-wireless' service provides its customers with the ability to make interexchange, or long distance, telephone calls at no additional charge.

(8) Access to directory assistance. All i-wireless customers are able to dial "411" to reach directory assistance from their wireless handsets.

(9) Toll limitation for qualifying low-income consumers. Toll limitation allows customers to block the completion of outgoing long distance calls to prevent them from incurring significant long distance charges and risking disconnection. i-wireless provides its wireless service on a prepaid, or pay-as-you-go, basis. Moreover, its service is not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance calls. Customers also must specifically authorize access for international services, for which additional charges may apply. The nature of i-wireless' service, therefore, mitigates any concerns that low-income customers will incur significant charges for long distance calls resulting in disconnection of their service.

**C. Designations Sought and Services Offered Under 26 S.C. Code Ann.
Regs. 103-690**

i-wireless seeks ETC designation only for the purpose of participating in the low-income support component of the federal USF (the Lifeline program) in its FCC authorized service area and does not seek designation for the purpose of receiving high cost support from the federal USF. As an ETC, i-wireless will offer a universal service package to customers who are eligible for Lifeline support and will use federal USF

support funds only for that purpose. This service offering will be competitive with those of ILECs serving the requested area and afford eligible South Carolinians in the affected service area a choice in their Lifeline service.

With respect to this service offering, to meet the requirements of R. 103-690(C)(a)(1)(A) i-wireless commits to provide service throughout the proposed designation area to all qualifying customers making a reasonable request for service.

(1) Two-Year Plan:

The Company's two-year plan meets the requirements of R. 103-690(C)(a)(1)(C)(J) by describing its plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible participants in the Lifeline programs. i-wireless will advertise its Lifeline services using a variety of media in conformance with the regulations of the Commission and the FCC.

i-wireless will advertise its Lifeline services through in-store radio, signage and print advertising, brochures, in-person events, and the internet. i-wireless will promote its Lifeline services with social service agencies and through partnerships with not-for-profit organizations. In addition, the Company will market Lifeline services to some of its existing customers through email and text message campaigns.

(2) Ability to Remain Functional During Emergencies:

i-wireless, as a reseller of Sprint, is able to remain functional in emergency situations as required by the requirements of the FCC and Commission R. 103-690(C)(a)(1)(C)(2). Sprint has established a variety of internal programs, policies, and teams dedicated to analyzing, assessing, and responding to emergency situations.

Sprint's network is monitored 24 hours a day, 7 days a week, 365 days a year by its network monitoring centers. Local switching offices staffed by trained technicians and management coordinate with these larger operation centers, to ensure that Sprint's networks are properly maintained and network performance is at expected levels. In addition, the company has reasonable amounts of back-up power to ensure functionality without an external power source, and it has implemented reasonable practices to reroute traffic around damaged facilities and manage traffic spikes resulting from emergency situations. These practices significantly reduce the chance that emergencies, fiber cuts, or equipment failure will result in a loss of service.

(3) Consumer Protection and Service Quality Commitment:

Complying with R. 103-690(C)(a)(1)(C)(3), i-wireless commits to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service.

(4) Local Usage Plan:

The Company's local usage plan meets the requirements of R. 103-690(C)(a)(1)(C)(4). As stated above, i-wireless will provide a certain amount of service free of charge, will not impose a local call area, and will offer its Lifeline customers a variety of other features at no cost.

(5) Equal Access Obligation:

Complying with R. 103-690(C)(a)(1)(C)(5), the Company submitted an affidavit, attached as Exhibit 1 to the Direct Testimony of Patrick McDonough, which acknowledges that the FCC may require it to provide equal access to long distance

carriers in the event that no other eligible telecommunications designation is sought.

(6) Facilities:

Complying with R. 103-690(C)(a)(1)(C)(6), the Company submitted an affidavit, attached as Exhibit 1 to the Direct Testimony of Patrick McDonough, which acknowledges that it offers services that are supported by the federal USF low-income support mechanisms. i-wireless resells the services which the Company obtains from its underlying facilities-based wireless provider (Sprint). In an Order dated June 25, 2010, the FCC granted i-wireless forbearance from the statutory requirement that ETCs provide service either using their facilities or a combination of their own facilities and resale.

(7) Advertisement of Services:

Complying with R. 103-690(C)(a)(1)(C)(7), the Company submitted an affidavit, attached as Exhibit 1 to the Direct Testimony of Patrick McDonough, which acknowledges that it will advertise through media of general distribution the availability of, and applicable charges for, the services supported by the USF low-income support mechanism.

D. Commitments and Conditions

i-wireless agrees to all of the commitments and conditions of the Stipulation Agreement, which is attached to this Order.

E. ETC Designation is in the Public Interest

Low-income support from the federal USF to provide Lifeline services is designed to reduce the monthly cost and increase the availability of telecommunications services for eligible consumers. This cost reduction is distributed on a household basis and directly affects the price that an eligible customer pays. Through the record of this Docket, i-wireless has shown that all federal USF support received by the Company will be used to provide Lifeline services to consumers, thus promoting the availability and affordability of telephone service to low-income users. In the Commission's view, the designation of i-wireless as an ETC will increase customer choice for low-income consumers eligible for Lifeline support in the areas requested. Customers who can obtain these telecommunications services will likely benefit from additional rate plan options and increased access to emergency services.

Therefore, subject to the commitments and conditions discussed in this Order, the Commission concludes that i-wireless has shown that its designation as an additional ETC is in the public interest for its proposed ETC designated area.

FINDINGS AND CONCLUSIONS:

1. i-wireless has met all applicable requirements for designation as an ETC for the limited purpose of providing Lifeline service to low-income South Carolina households, including those requirements codified at 47 U.S.C. § 214(e).

2. i-wireless is designated as an ETC, as of the effective date of this order, in the requested areas.

3. Since i-wireless seeks only pass-through support for low income

customers, a cream-skimming analysis is unnecessary in this Docket.

4. Designation of i-wireless as an ETC will serve the public interest.

5. i-wireless will provide all required universal service functionalities set forth in the Communications Act of 1934, as amended, and the rules and regulations of the FCC and the Commission.

6. All federal USF funding received as a result of this Order will be used for Lifeline support and will be flowed through for the direct benefit of eligible low-income customers.

7. The Stipulation Agreement filed with the Commission on July 21, 2011, and attached hereto as Appendix One, is accepted into the record, adopted and incorporated into and part of this Order by reference and, based upon the testimony and exhibits in the record, is found to be in the public interest and constitutes a reasonable resolution of this proceeding. i-wireless shall adhere to the commitments and conditions agreed to in the Stipulation Agreement.

8. Prior to the commencement of Lifeline operations in South Carolina, i-wireless must first obtain FCC approval of its compliance plan and implement all procedures required by the FCC to address waste, fraud, and abuse relevant to the universal service low income program.

9. i-wireless shall comply with all Commission orders, rules and regulations and laws of the State of South Carolina.

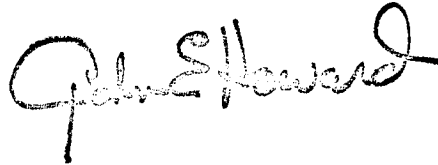
IT IS THEREFORE ORDERED:

1. Based on the foregoing, the Application for ETC status for the purpose of receiving federal, low income, Lifeline support is granted.

2. The cream skimming analysis of 26 S.C. Code Ann. Regs. 103-690(c)(b) is waived.

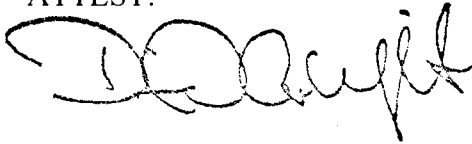
3. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman

(SEAL)

ELLIOTT & ELLIOTT, P.A.

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July 21, 2011

VIA E-FILING

Ms. Jocelyn Boyd

Chief Clerk of the Commission

SC Public Service Commission

P. O. Drawer 11649

Columbia, SC 29211

RE: Application of i-wireless, LLC for Designation as an Eligible
Telecommunications Carrier in the State of South Carolina
Docket No.: 2011-107-C

Dear Ms. Boyd:

Enclosed please find the **Stipulation and Settlement Testimony of Paul McAleese** filed on behalf of i-wireless, LLC in the above referenced docket. By copy of this letter, I am serving all parties of record.

If you have any questions, please do not hesitate to contact me.

Sincerely,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE:/jel

Enclosures

cc: All parties of record (w/encl.)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-107-C

July , 2011

IN RE: Application of i-wireless, LLC)	
for Designation as an Eligible)	STIPULATION
Telecommunications Carrier in the)	
State of South Carolina)	

This Stipulation is made by and among the Office of Regulatory Staff (“ORS”) and i-wireless, LLC (“i-wireless” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”).

WHEREAS, on March 9, 2011, i-wireless filed its Application requesting Designation as an Eligible Telecommunications Carrier;

WHEREAS, ORS has reviewed the Application and testimony of Patrick McDonough;

WHEREAS, i-wireless is only seeking ETC Designation for the purpose of participation in the Federal Universal Service Low Income Fund;

WHEREAS, i-wireless will provide Lifeline service under the brand name “Access Wireless”; and

WHEREAS, as a result of its investigations, ORS has determined that subject to the provisions set forth below, i-wireless’ request for designation as an ETC should be approved for those wire centers listed in Exhibit 7 of the Company’s Application contingent upon the FCC’s approval of i-wireless’ compliance plan filed in accordance with the i-wireless Forbearance Order.

NOW, THEREFORE, pursuant to S.C. Code Ann. §1-23-320(F) (Supp. 2010), the Parties stipulate as follows:

1. i-wireless is a radio common carrier and wireless service provider offering wireless voice communications and Lifeline services.

2. i-wireless provides its service plans through resale, however the Company has received forbearance of the facilities requirement from the FCC for the purposes of participating in the Lifeline program. The FCC conditionally granted i-wireless' petition for forbearance from the facilities requirement ("i-wireless Forbearance Order"). In accordance with the i-wireless Forbearance Order, the Company filed its compliance plan with the FCC on July 26, 2010. As of the date of this Stipulation, the FCC had not ruled on whether the compliance plan is approved. Therefore, the Parties agree that prior to the commencement of Lifeline operations in South Carolina, i-wireless must first obtain FCC approval of its compliance plan regarding the forbearance of the facilities requirement.
3. i-wireless agrees to comply with the conditions of the FCC's Forbearance Order, attached as Exhibit 3 to the Application, and to comply with any other conditions which may be imposed on i-wireless by the FCC. The current conditions of the forbearance order include (1) provide its Lifeline customers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes; (2) provide its Lifeline customers with E911-compliant handsets and replace, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (3) comply with conditions (1) and (2) as of the date it provides Lifeline service; (4) obtain a certification from each public-safety answering point (PSAP) where the carrier provides Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certify that it does so if certain conditions are met; (5) require each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from that carrier; (6) establish safeguards to prevent its customers from receiving multiple Lifeline subsidies from that carrier at the same address; (7) deal directly with the customer to certify and verify the customer's Lifeline eligibility; and (8) submit to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement these conditions.

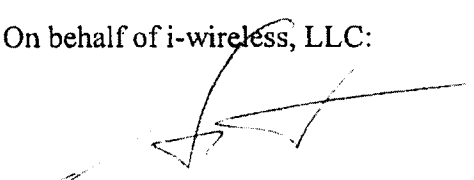
4. i-wireless agrees that it will not seek federal support for Link up and/or for Toll Limitation Services offerings.
5. i-wireless agrees to advertise the availability of Lifeline using media of general distribution.
6. The federal USF provides support to four programs, each administered by the Universal Service Administrative Company ("USAC"): (1) financial support to carriers serving high cost areas; (2) the E-rate program, which provides discounted services (local and long distance telephone service, Internet access, and internal connection) to eligible schools and libraries; (3) assistance to low income consumers (discounted installation and monthly telephone services); and (4) discounted service to rural health care providers.
7. i-wireless has requested ETC designation in the wire centers where it currently has network coverage, as detailed in Exhibit 7 of the Company's application.
8. i-wireless has limited its requested USF support to the federal USF low income support program. i-wireless certifies that all low income USF funding it receives will be used to provide a credit to its Lifeline eligible customers, consistent with 47 CFR 54.403.
9. i-wireless agrees to offer Lifeline credits consistent with the rates, terms, and conditions contained in its rate schedules and website and will publish the availability and the pricing of these same offerings on its website.
10. Until modified by the Commission, i-wireless agrees to utilize TANF, Food Stamps, and Medicaid as the qualifying criteria for the Lifeline program throughout the company's ETC designated area.
11. i-wireless agrees to provide Lifeline customers a company funded credit of at least \$3.50 in order that the federal matching monies can be maximized. This will yield a

Lifeline credit of at least \$13.50 per month which is consistent with the State and Federal credits offered in South Carolina.

12. i-wireless agrees to provide at least a \$13.50 Lifeline credit to any bundled service offering an eligible customer chooses.
13. i-wireless agrees that it will abide by all advertising, reporting and verification requirements established by the FCC and the Commission.
14. Should i-wireless seek designation as an ETC for high cost support, i-wireless will file an additional and separate application with the Commission that addresses all applicable state and federal laws, rules and regulations, including, but not limited to, an appropriate build-out plan that includes the use of its own facilities to provide services to unserved and underserved areas and a cream skimming analysis in the rural areas where the company provides service below the study areas level.
15. i-wireless agrees that it will not seek reimbursement from the Federal Universal Service Fund for resold services where the company receives the Lifeline reimbursement through an underlying carrier.
16. i-wireless agrees to file with the ORS a certified true copy of its Form 497 filed quarterly with the USAC, including revisions thereto, no later than 5 calendar days after the Form or revision is filed with USAC.
17. Domestic long distance is included at no additional charge with i-wireless Lifeline service, and international calls must be pre-authorized. Therefore, there is no need for i-wireless to offer a toll blocking and/or limitation option; the prepaid nature of i-wireless' service serves as an effective toll control. There are no activation fees or roaming charges for Lifeline customers.
18. i-wireless agrees to implement a program for initial certification and annual verification that insures that an eligible Lifeline customer only receives one Lifeline credit per residential address.

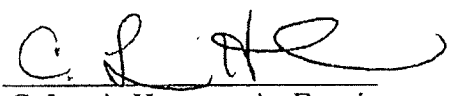
19. i-wireless agrees to provide E911 compliant handsets to new Lifeline customers and replace any non-compliant handsets for its existing customers who are approved as Lifeline customers at no charge.
20. If the designations sought herein are granted, i-wireless will be supporting Universal Service in South Carolina based on its total South Carolina retail end user revenues.
21. i-wireless agrees to submit a quarterly report to ORS demonstrating the number of Lifeline customers who have been deactivated by i-wireless during the quarter due to:
(1) -non-usage on their customer account during two consecutive 30-day periods; (2) the customer did not pass the annual verification requirement; or (3) the customer voluntarily requested deactivation.
22. i-wireless shall comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements. More specifically, i-wireless agrees to abide by the Commission regulations regarding designation of an ETC found in S.C. Code Regulation 103-690.
23. i-wireless shall comply with all of the voluntary commitments made to the FCC in its January 7, 2011 letter in WC Docket No. 09-197.
24. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.
25. ORS does not oppose the application of i-wireless for designation as an eligible telecommunications carrier.

On behalf of i-wireless, LLC:



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